

Message Text

LIMITED OFFICIAL USE

PAGE 01 JOHANN 00192 131644Z

43

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 COME-00 TRSE-00 LAB-04 SIL-01 OPIC-03

AID-05 /085 W

----- 075011

R 131200Z FEB 76

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 4449

INFO AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY PARIS

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

LIMITED OFFICIAL US JOHANNESBURG 0192

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: BEXP, ELAB, EGEN, EIND, SF

SUBJECT: VISIT TO SOUTH AFRICA OF IBM EXECUTIVES WEEK OF FEBRUARY

16

REF: LUSAKA 0310

1. AF LABOR COORDINATOR LESTER SLEZAK AND CONGEN OFFICERS CALLED ON JACK CLARKE, MANAGING DIRECOR IBM SOUTH AFRICA, AS PART OF PROGRAM CONNECTION WITH FORMERS ORIENTATION VISIT HERE. TIMELY RECEIPT LUSAKAS REFFTEL ALSO AFFORDED SLEZAK AND CONGEN OFFICERS WITH OPPORTUNITY TO OBTAIN READING FROM CLARKE ON IBM SITUATION HERE DURING COURSE "TOUR D'HORIZON".

2. CLARKE SEEMED TO BE SUGGESTING THAT IBM SOUTH AFRICA IN PARTICULAR AND US BUSINESS IN SOUTH AFRICA IN GENERAL IS GROPING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JOHANN 00192 131644Z

FOR US GOVT RESPONSE TO US CRITICS OF US BUSINESS PRESENCE

IN SOUTH AFRICA (FOR OTHER COMMENTS ALONG THIS VEIN SEE SUMMARY
SLEZAK MEETING WITH US CITIZEN AND NON-US CITIZEN MANAGING
DIRECTORS US FIRMS HERE REPORTED SEPTEL).

3. DURING FRANK DISCUSSION, CLARKE MADE FOLLOWING COMMENTS RE
LABOR SITUATION:

A. VISIT OF IBM TOP LEADERSHIP TEAM TO SOUTH AFRICA (CARY,
JONES, MAISONROUGE, KATZENBACH, PFEIFFER, LEFORT, WATKINS, ET AL)
SCHEDEDULE FOR WEEK FEBRUARY 16 INCLUDES COUNTRY-WIDE ITINERARY
WHICH ONLY NOW FALLING INTO PLACE BUT WILL CERTAINLY INCLUDE
TOP BLACK LEADERS: MVUBELO, MAPONYA, NTSHONA, AND
MOTSENYANE;
AND, OF COURSE, TOO EARLY TO ASSESS/PREDICT RESULTS OR CONCLUSIONS--
IF ANY--WHICH MAY ENSUE FROM VISIT.

B. HOWEVER, AMONG POINTS WHICH CLARKE REVIEWED ARE: INDIVIDUAL
PROMOTION SYSTEMS IN IBM; RANGE OF PROGRAMS FOR ASSISTANCE BLACKS
WHICH GO BACK TO 1964 INCLUDING EFFORTS ELEVATE BLACK EMPLOYEES WHO
COMPRIZE SOME 15 PCT OF IBMS SOUTH AFRICAN TOTAL OF APPROX 1400.)
(AS AN ASIDE AND RE THIS POINT, CLARKE NOTED WIT SOME
CHAGRIN THAT THIS TOTAL COMPRIZES SOME 400 HARD-CHARGING FUTURE HIGH-
FLIERS WHO ARE UNIVERSITY GRADUATES WITH WHOM BLACKS MUST COMPETE
WITHIN IBMS MERIT-BASIS TERMS OF REFERENCE.) CURRENT PROGRAMS IN-
CLUDE: IBM SCHOOL ESPECIALLY FOR BLCAK TYPIST TRAINING WHICH CURRENTL
Y

ENROLLS APPROXIMATELY 75, NOW SOME THREE YEARS OLD; BLACK SCHOLARSHIP
S

AND COURSES WHICH HAVE NUMBERED APPROXIMATELY 125 PER YEAR OVER
PAST SEVERAL YEARS FOR POST-SECONDARY STUDIES WITH GRADUATES INTE-
GRATING INTO IBM MANAGEMENT STAFF JOBS WITH EQUAL PAY WITWITH
WHITES; FOR BLACK FAMILIES, TOTAL REIMBURSEMENT TO FAMILY FOR
ALL MEMBERS WHO SUCCESSFULLY COMPLETE SECONDARY AND POST-
SECONDARY EDUCATIONAL PROGRAMS WITH PRIORITY GIVEN TO THEM IN
PLACEMENT IN IBM POSITIONS AS AVAILABLE; WIDE-RANGING IN-HOUSE
TRAINING PROGRAMS WHICH INCLUDE TRAINING/PLACEMENT OF SWITCHBOARD
OPERATORS IN IBM INSTALLATIONS; TRAINING/PLACEMENT BLACK IBM
PROGRAMMERS AND TECHNICIANS AND REPAIRMEN WHO REGULARLY SERVICING
OUTSIDE ACCOUNTS WITH NO ADVERSE FEEDBACK; AND, EFFORTS TO TRAIN
AND UPDATE BLACKS WHO WERE HIRED TEN OR MORE YEARS AGO AS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 JOHANN 00192 131644Z

MESSENGERS, OFFICE HANDS AND LOW-LEVEL CLERKS
SO THAT THEY CAN BE UP-GRADED SALARY AND JOB-WISE ON MERIT BASIS.
(THIS LATER INCLUDES SCHOOL FOR READING, WRITING AND ARITHMETIC.)
C. AVERAGE SALARY OF BLACK WORKER AT IBM IS 380 RAND PER MONTH
(SAGS AVERAGE IS 110).

4. MARKET FACTORS:

A. IBM HAS NO INTENTION PULLING OUT OF SOUTH AFRICA.
B. IBMS SOUTH AFRICAN OPERATION PARTS OF PARIS-BASED IBM WORLD
TRADE OPERATIONS AND INCLUDED IN MIDDLE EAST (AND ISRAEL) AS WELL AS
ALL AFRICAN OPERATIONS. OF THIS, CLARKE ESTIMATES IBM SOUTH AFRICA
AMOUNTS TO 40 PERCENT OF BUSINESS OF ENTIRE GROUP AND THAT ISRAEL
AND SOTH AFRICA COMPRRISE 60 PERCENT. MARKET SHARES ARE BRITISH ICL
NUMBER ONE BY FAR, FOLLOWED BY IBM AND THEN FAST-CHARGING
JAPANESE WITH OTHER EUROPEANS AND THEN AMERICANS LAGGING ALONG.

5. COMMENT: VISIT TO CLARKE WAS AT OUR INITIATIVE; INDEED, HE HAD
EARLIER DECINED INVITATION FOR BUSINESSMEN MEETING WITH SLEZAK
EARLIER IN WEEK. CLARKE IS A SOUTH AFRICAN AND PARTICULARLY
SENSITIVE TO WHAT HE DESCRIBES AS THE "POLE-CAT" POSITION OF SOUTH
AFRICA IN THE WORLD. HE GENUINELY BELIEVES THAT IBM IS NOT ONLY
IN LEADERSHIP POSITION AMONG AMERICAN COMPANIES BUT WELL UP WITH IF
NOT AHEAD OF MOST PROGRESSIVE FIRMS OF WHATEVER NATIONALITY IN
SOUTH AFRICA AS REGARDS ITS TREATMENT OF AND RELATIONS WITH BLACKS.
HE SAID FRANKLY THAT HE WAS CONVINCED THAT IBM VISITING TEAM
WOULD GET THIS MESSAGE FROM BLACKS IN IBM AND BLACK LEADERS
THROUGHOUT COUNTRY WHO WOULD SEE IBM PULLOUT AS TRAGEDY FOR
BLACKS IN TERMS OF THEIR FUTURE POSSIBILITIES IN MARKET/COUNTRY/
ECONOMY EVEN THOUGH IBM IS ONLY A DROP IN THE OCEAN IN TERMS OF
TOTAL US INVESTMENT IN SA OR IN TERMS OF TOTAL FOREIGN BUSINESS
PRESENCE.

KIRBY

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESSMEN, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JOHANN00192
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760055-0979
From: JOHANNESBURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760252/aaaabsvi.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LUSAKA 310
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2004 by greeneet>; APPROVED <01 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VISIT TO SOUTH AFRICA OF IBM EXECUTIVES WEEK OF FEBRUARY 16
TAGS: BEXP, ELAB, EGEN, EIND, SF, IBM
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006